(d) the number of raids conducted by Excise/Income Tax Authorities during last one year in Nagpur with revenue realisation and action taken against such defaulters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Whenever any case of violation of Excise/Income Tax Rules comes to the notice of the Government, appropriate action as envisaged under law is taken.

(b) There is no specific complaint against the parties concerned.

(c) Does not arise.

(d) During the year 1994-95 (upto Feb. 95) Excise and Income Tax Deptts. conducted 38 and 6 searches, respectively, at Nagpur. As a result, cases of duty evasion to the tune of Rs. 20 lakhs were detected, unaccounted assets worth Rs. 61.79 lakhs were seized and tax evaded income of Rs. 310.15 lakhs was disclosed.

Annual foreign aid

255. SHRI PRAMOD MAHAJAN:
SHRI VIREN J. SHAH:

Will the Minister of FINANCE be pleased to state:

(a) what is the amount of annual foreign aid authorised by IBRD, IDA, ADB to India during the financial year 1992-93 and 1993-94 and so far in 1994-95, separately.

(b) how much of this aid remained unutilised during each of these years and what are the reasons therefor;

(c) what is the extent of total external aid to India during each of the years 1991-92, 1992-93 and 1993-94 and what are the details of the external debt servicing outgo during each of these years;

(d) whether misuse of external assistance has attained alarming proportions in India with the total backlog in the economy mounting to over $25 billion by the end of the year 1994 as reported in the Financial Express (Bombay) of January 4, 1995;

(e) if so, what are the facts and the reasons for such a dismal position; and

(f) what steps Government have taken propose to take to improve the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The annual foreign aid committed by IBRD, IDA and ADB to India during the financial years 1992-93, 1993-94 and 1994-95 (upto December 94) is as under:

Country/Institution	During 1992-93	During 1993-94	During 1994-95 (upto Dec, 1994)
IBRD	1768.4	2251.4	740.98
IDA	3353.0	3213.7	3640.00
ADB	4060.1	1397.1	812.90

(b) The cummulative foreign aid which remained unutilised is as per:—

Country/Institution	As on 31-3-93	As on 31-3-94	As on 31-12-94
IRD	18434.97	13513.93	13407.05
IDA	13799.15	12894.62	11435.94
ADB	8463.58	8379.04	7002.10

Most of the aid is project tied. The reasons for unutilised aid can be traced to time profile of projects which is usually 5 to 7 years, exchange rate fluctuations, inadequate provision of counter-part funds, delays in land acquisition and other project specific issues.

(c) The total external aid to India during each of the years 1991-92, 1992-93 and 1993-94 are as under:—

	1991-92	1992-93	1993-94
Govt. Account			
Loans:	9116.25	8995.43	9229.90
Grants:	918.98	919.41	885.62
Non-Govt.. Account			
Loans:	1579.56	1106.76	1065.51
Total:	11614.79	11021.60	11781.03

The details of the external debt servicing outgo during each of these years are as under:—

	1991-92	1992-93	1993-94
Repayment of Principal:			
Govt. Account	3495.30	4560.04	5079.32
Non-Govt. Account	155.15	228.38	273.20
TOTAL:	3650.45	4788.42	5352.52
Payment of Interest:			
Govt. Account	2762.52	3578.15	3749.41
Non-Govt. Account	243.36	383.22	450.00
TOTAL.	3005.88	3961.37	4199.41

(d) There is no misuse of External Aid. The total undrawn balance excluding USSR as on 31.12.94 is Rs. 53,169 crore (Provisional).

(e) The total figure of undrawn balance does not represent the backlog. It only indicates the total amount that can be drawn over a period of time. Some of the main reasons for slower than expected utilisation of external aid are inadequate provisioning and counterpart funding, procurement and contracting delays, start-up and other procedural delays.

(f) Ensuring adequate provisioning for externally aided projects, release of ACA as 100% additionality, advance release of ACA to the States, standardisation of bidding documents and streamlining of procurement procedures, disintermediating on flow of external aid to Central PSU's, Portfolio Rationalisation and setting up of Project Management Unit in Department of Economic Affairs are some of the steps taken by the Government to improve aid utilisation

Inflation rate

256. SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:

Will the Minister of FINANCE be pleased to state:

(a) what is the country's present inflation rate as comared to last year;

(b) whether there has been a steep rise in the inflation rate, if so, what are the reasons therefor:

(c) to what extent the present trend of inflation is likely to affect the process of industrial revival; and

(d) what steps Government have taken or propoes to take to control the rise in the inflation rate?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The latest annual rate of inflation (point to point) as on 25 February 1995 was 11.39 per cent as against 9.52 per cent on the corresponding day of the previous year.

(b) In the first quarter of 1994-95, the price level rose by 4%. The Second quarter (July-September) nessed a modest rise of 1.6 per cent. But in the third quarter (October-December) which is the period when prices generally register a seasonal fall, the price level rose further by 1.5 per cent followed up another 2.2 per cent in January 1995.

The uptrend in the general price level particularly since October appears to have been caused by the demand side factors arising out of the excess liquidity in the system.

(c) The current uptrend in the inflationary pressures is likely to have peaked and it may therefore have no significant impact on industrial growth.

(d) Steps taken to contain inflation in the current fiscal year are:

(i) Release of foodgrains from public stocks through open market sale by Food Corporation of India.

(ii) Placing import of Sugar on OGL at Zero duty.

(iii) Ensuring sugar availability for PDS by importing nearly 10 lakh tonnes at zero duty.

(iv) Allowing import of palmolein oil under OGL.

(v) Importing 1.07 lakh tonnes of palmolein oil for supply to consumers through PDS.

(vi) With effect from March 1995, allowing import of major edible oils under OGL at reduced duty of 30%.